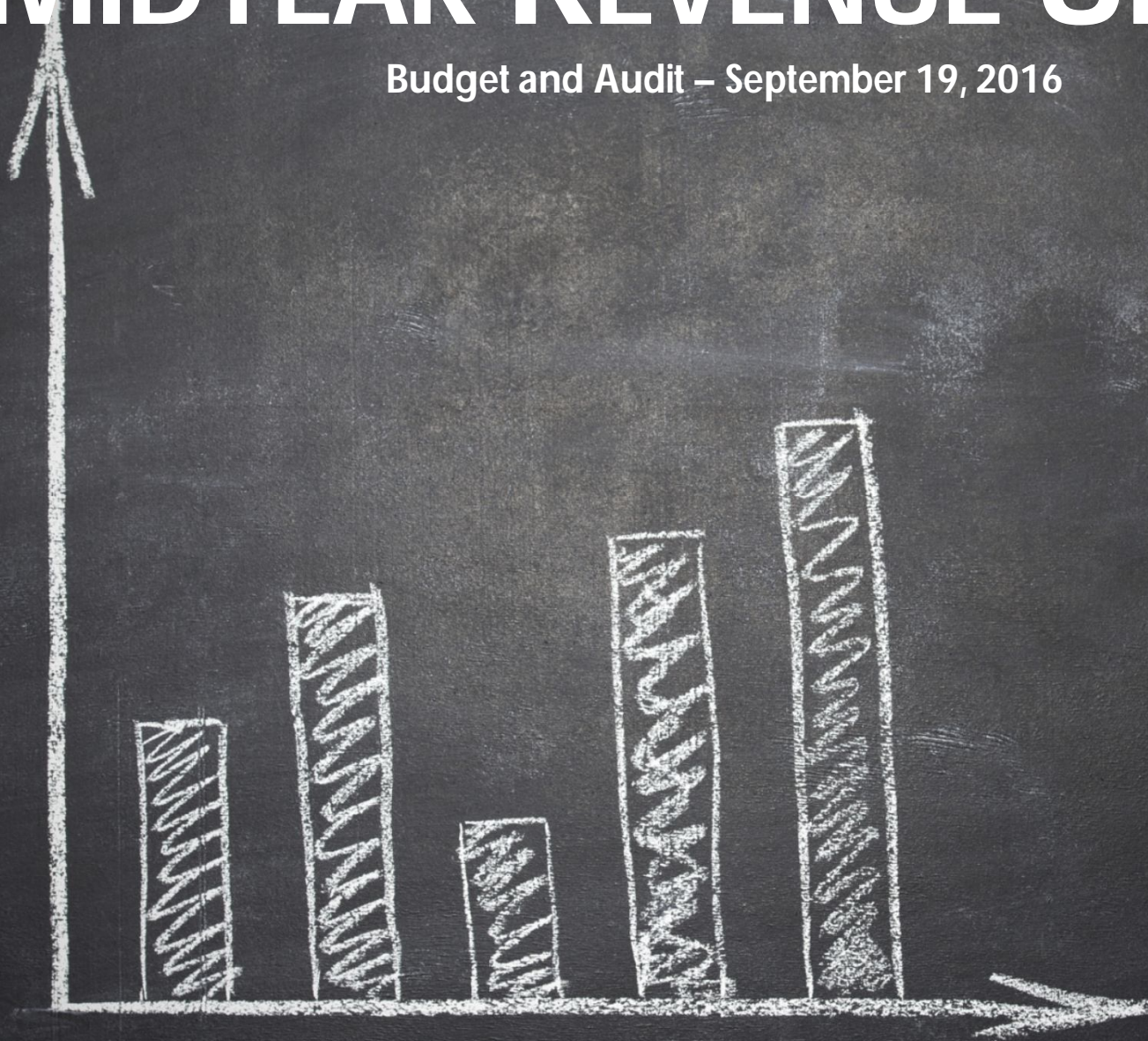


# MIDYEAR REVENUE UPDATE

Budget and Audit – September 19, 2016





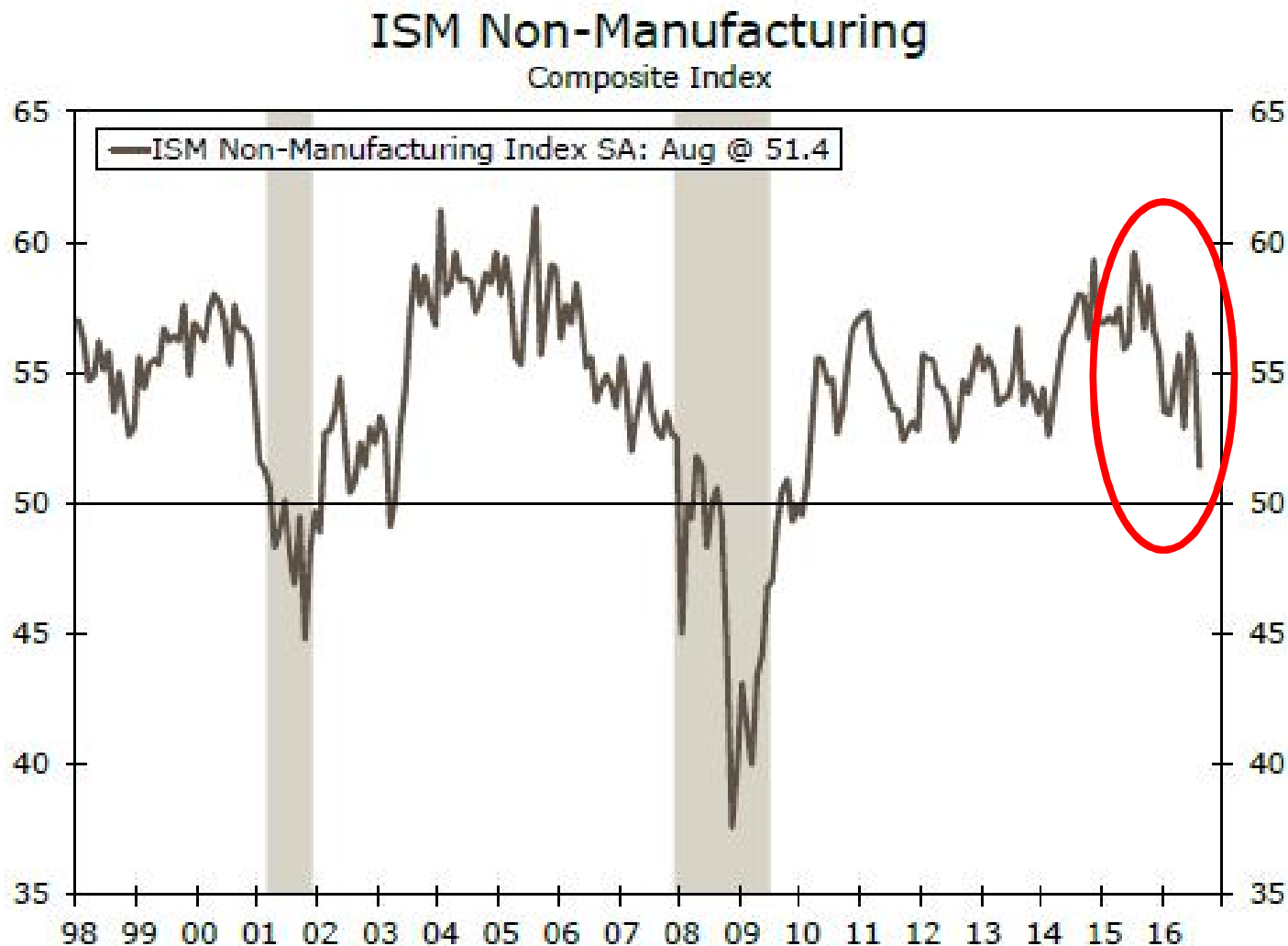
# DISCUSSION OUTLINE

## Midyear Revenue Update

- ✓ **FY2017 Forecast Recap**
- ✓ **Update on Economic Conditions**
- ✓ **Implications for Current Year, FY2018**
- ✓ **Revenue Calendar**

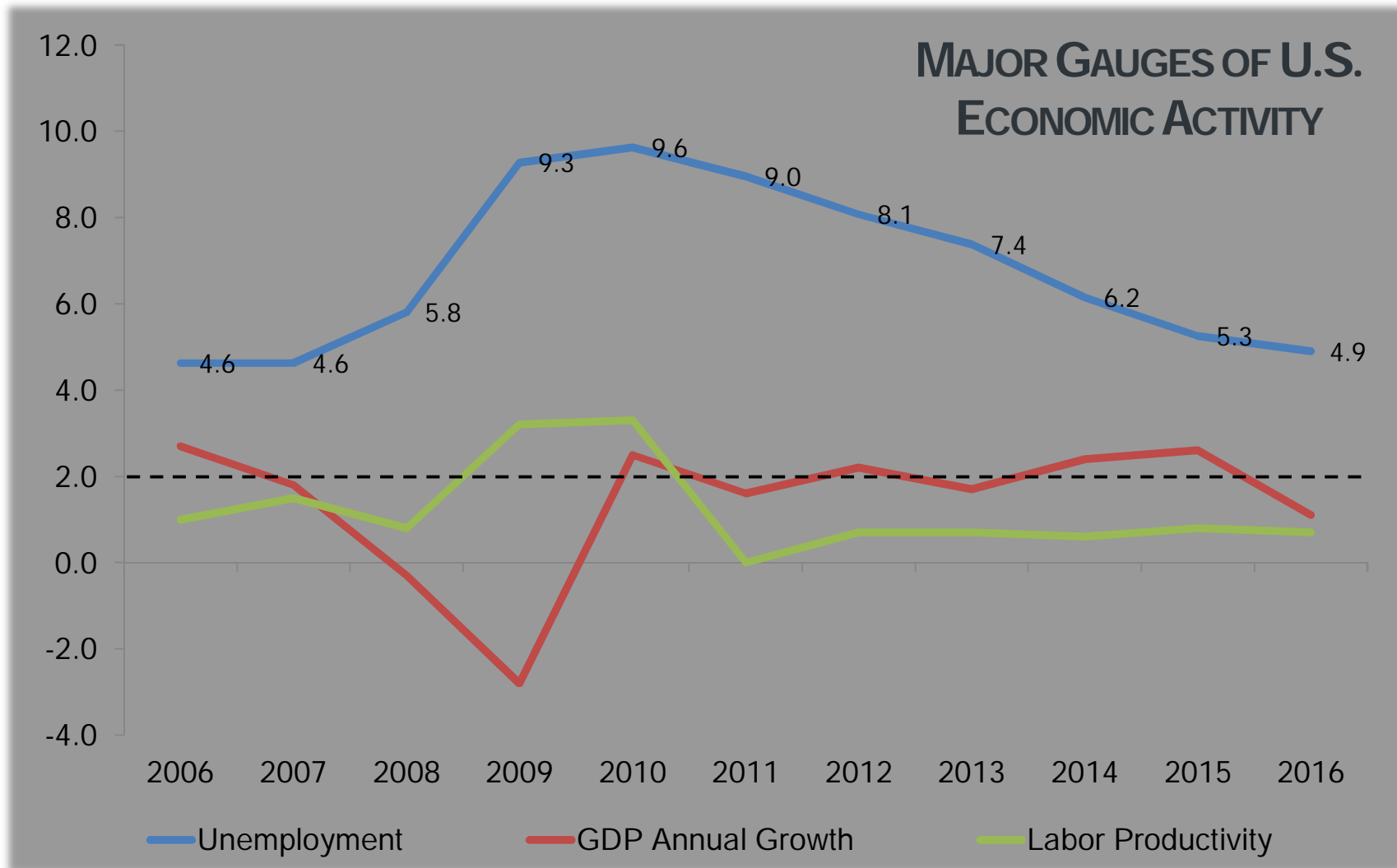
# CAUTIOUS FORECAST; CONTINUED UNCERTAINTY

Midyear Revenue Update: Fiscal Year 2017 Forecast Recap



# NATIONAL SNAPSHOT A MIXED BAG

Midyear Revenue Update: A Focus on National Economic Conditions



# U.S. TRENDS WEIGHING ON COMMONWEALTH

Midyear Revenue Update: A Focus on State Economic Conditions

***However, Recent Job Growth Has Been Predominately in Lower Paying Occupations...***

## Virginia Employment Change and Average Weekly Wage by Major Industry

Industry	Employment 2015:Q4	Change From # of Jobs	A Year Ago % Change	Average Weekly Wage
Total, All Industries	3,797,909	109,880	3.0%	\$1,094

### % of Job Growth

Low Wage	52,303	47.6%	\$367 - \$940
Medium Wage	40,972	37.3%	\$941 - \$1,513
High Wage	16,605	15.1%	\$1,514 - \$2,087

# LOCAL GAUGES GENERALLY UNCHANGED

Midyear Revenue Update: A Focus on Local Economic Conditions

Economic Indicator	Current Reading
Unemployment	3.8% (July)
Payroll Employment	+5.4% (1Q:16)
Consumer Spending	+1.4% (June)
Home Prices (median sales price)	+3.0% (2Q:16)
1-Family Permits	+19.4% (through August)
Home Sales	+13.0% (2Q:16)
Foreclosures	-19.5% (through August)



# FORECAST ON TARGET; CAUTION STILL WARRANTED

Midyear Revenue Update: Implications for Current Year, FY2018

- 1) FY2016 core, general fund revenue results on budget
- 2) Accordingly, no reforecast needed for current year
- 3) Early indicators suggest FY2017 forecast is solid
- 4) State an unknown, though limited exposure for general government
- 5) Same holds for FY2018 thus far...
- 6) Cautious approach still appropriate



# KEY REVENUE DATES MOVING FORWARD

## Midyear Revenue Update

- ✓ December: State revenue estimates available
- ✓ January: Land Book values finalized for 2017
- ✓ February: Local revenue forecast for FY2017 presented